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CIBCR

SERVICE SECTOR INDICATORS

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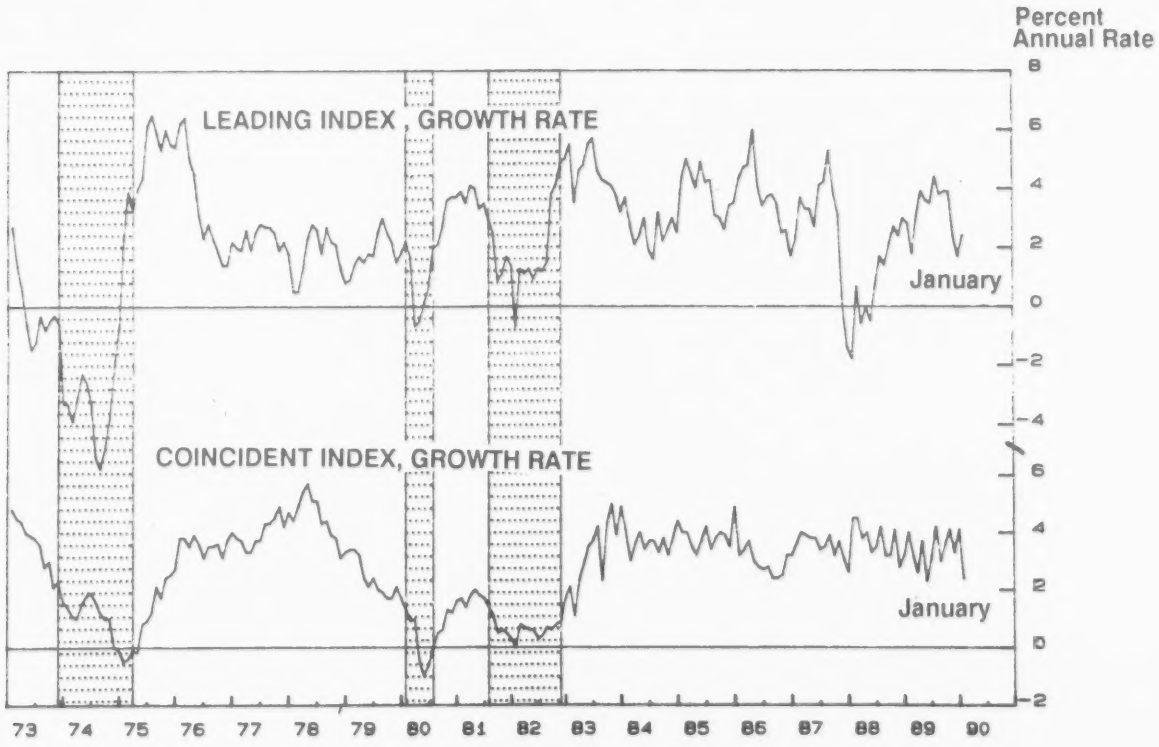
SERVICES LEADING INDEX RECOVERS A BIT

The leading index of service sector activity, compiled by the Columbia Business School's Center for International Business Cycle Research, recovered a bit in January, raising its annualized growth rate from 1.7% in December to 2.4% in January. Contributing to the advance were a rise in the index of profit margins in services and a jump in the usually volatile construction contracts for commercial buildings. These were offset in part by a drop in stock prices for services, while the average workweek in services stayed virtually unchanged.

However, the coincident index of service sector activity fell, dragging its annualized growth rate down from a revised 4.1% in December to 2.4% in January. The decline was caused by drops in labor income and personal consumption expenditures in services, offset in part by a rise in employee hours in the service sector.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index* (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
July	150.5	1.7	33.00	838	88.7	113.1
Aug.	150.3	1.4	32.76	864	87.9	114.2
Sept.	150.8	2.1	32.88	805	91.0	113.4
Oct.	151.3	2.7	32.96	768	94.3	112.5
Nov.	151.2	2.4	32.77	791	91.7	114.3
Dec.	151.9	3.0	32.91	801	92.9	113.8
1989:						
Jan.	152.1	2.8	32.95	871	95.2	111.6
Feb.	151.7	1.8	32.75	667	98.7	113.0
Mar.	153.0	3.1	32.81	781	98.5	114.6
Apr.	154.0	3.9	33.07	773	102.5	113.1
May	154.2	3.6	32.75	802	108.0	114.8
June	154.6	3.5	32.76	854	111.6	113.6
July	155.7	4.4	33.03	797	116.5	112.7
Aug.	155.7	3.8	32.72	742	121.9	114.8
Sept.	156.2	3.9	32.81	819	122.1	113.6
Oct.	156.7	3.9	32.95	795	122.6	113.0
Nov.	155.9r	2.4r	32.74	661	120.1	114.1r
Dec.	155.7	1.7	32.72r	652	120.6	112.7r
1990:						
Jan.	156.6	2.4	32.74	770	116.5	114.2

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index* (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
July	184.0	4.2	1874.7	1283.9	672.2	109.7
Aug.	183.7	3.2	1880.8	1291.4	667.4	108.9
Sept.	184.2	3.2	1886.1	1285.6	674.2	109.2
Oct.	185.6	4.1	1891.4	1297.5	680.3	110.3
Nov.	184.9	2.8	1896.7	1292.6	672.6	110.0
Dec.	185.8	3.2	1899.5	1295.5	678.5	110.8
1989:						
Jan.	187.2	4.0	1902.3	1297.1	693.2	111.5
Feb.	187.0	3.2	1905.1	1311.7	683.7	111.2
Mar.	186.8	2.6	1910.0	1311.2	679.9	111.2
Apr.	188.4	3.7	1915.0	1315.7	690.5	112.5
May	187.5	2.3	1919.9	1318.4	681.4	111.5
June	188.8	3.1	1928.3	1322.9	691.8	112.2
July	190.4	4.2	1936.6	1327.4	702.4	113.2
Aug.	189.7	3.0	1945.0	1334.2	692.2	112.2
Sept.	190.8r	3.6r	1952.6r	1337.7	700.4	112.8
Oct.	191.9	4.1	1960.3r	1344.7r	705.7	113.6
Nov.	191.6r	3.3r	1967.5r	1348.2r	698.2r	113.4r
Dec.	193.0r	4.1r	---	1360.7r	706.7r	113.5r
1990:						
Jan.	191.9	2.4	---	1347.9	694.7	114.6

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.

r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.

4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.

5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.

6. This series is constructed by CIBCR using the price deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.

9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.

11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.

12. Bureau of Labor Statistics, all employees.

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